



INFORMATION BULLETIN

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NEXCOM 92-37 (REV. 10/91)

#92-37 Merchandise Division

15 OCTOBER 1992

PASS TO: EXCHANGE OPERATIONS DIVISION DIRECTOR
 MERCHANDISE MANAGER
 MERCHANDISE SECTION MANAGER
 RETAIL OPERATIONS MANAGER
 BUYER

A2 PLANOGRAM INFORMATION

1. After reviewing the recent cigarette price survey, it has been concluded that there is a degree of variable pricing throughout NEX's/NEXCEN's. Therefore, if variable pricing is necessitated any deviations from selling prices for cigarettes must be submitted to NEXCOM. Refer to enclosure (1) for current pricing.
2. Navy officials are considering a price increase for cigarettes sold in ships stores to be in line with NEX's selling prices. A price survey will be forwarded bi-annually, as cost increases are announced, to ensure prices are in line with competitors, and promulgated to the ship stores.
3. The cigarette category has become a price sensitive issue with price increases on branded cigarettes rising bi-annually. In order to increase single pack sales and obtain additional gross profit, it is suggested to offer a 10% or 15% discount off 3-pack purchase.

Prepared by: ANNE DZEGOVICH
 Buyer

Approved by: J. M. MARECKI
 Division Director
 Merchandise Division

Distribution:
 NEXCOM List G (OIC's INDEPENDENT NEX's)
 NEXCOM List K (CO's NEXCEN's)
 MD
 MDCBO
 MD1
 MD2
 MDPL
 MDP
 SPD

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4. Full price cigarettes account for 63% share of market, while savings brands have escalated to 37%.

Manufacturers Share of Market as of June 92 for NEX's is as follows:

	<u>BRANDED</u>	<u>SAVINGS</u>
Philip Morris	50	11
Brown & Williamson	6	66 (Inc. Generics)
R. J. Reynolds	26	19
American Tobacco	9	2
Lorillard	8	1
Liggett & Myers	1	1

5. The top 30 brands of cigarettes, cover 50% of the market.

<u>RANK</u>	<u>BRAND DESCRIPTION</u>	<u>SHARE OF MARKET</u>
1	MARLBORO F BX	6.17
2	MARLBORO L F BX	3.93
3	MARLBORO F SP	3.58
4	MARLBORO L F SP	2.96
5	NEWPORT M SP	2.09
6	B&W GEN/PL UL F100	1.99
7	NEWPORT M BX	1.96
8	B&W GEN/PL L F100	1.90
9	B&W GEN/PL L F SP	1.89
10	WINSTON F SP	1.85
11	B&W GEN/PL F SP	1.69
12	MARLBORO L F 100 SP	1.45
13	B&W GEN/PL L M100	1.43
14	KOOL CLASSIC M S	1.41
15	LIG GEN/PL L FS	1.31
16	PALL MALL NF	1.21
17	MARLBORO F 100 SP	1.15
18	SALEM LTS M	1.15
19	SALEM M SP	1.11
20	LIG GEN/PL L F100	1.10
21	MARLBORO L F 100 BX	1.06
22	B&W GEN/PL F 100	1.04
23	DORAL LTS F 100	1.03
24	B&W GEN/PL UL F	.99
25	MARLBORO MED F BX	.98
26	WINSTON LTS F SP	.98
27	MARLBORO F 100 BX	.69
28	DORAL LTS F	.84
29	SALEM LTS M100 SP	.81
30	WINSTON LTS F100 SP	.61

*50%

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Shelf Display....An "A" or "B" store with a 27'6" section to display cigarettes should allocate 17' for branded cigarettes and 10'6" for Savings brands (including Generics).

A "C" store with a 17'6" section should display branded cigarettes in 11 ft space and Savings brands with 6'6" of space.

A "D" store with a 12'6' section, should allocate 8' for branded and 4.6' for Savings.

An "E" size store should display cigarettes in a 7"6" section with 4'6' allocated for branded and 3' for Savings brands.

Refer to enclosure (2) for department size planogram. The brands to be stocked within a manufacturer's allocated space will be determined by each store manager based on the store's cigarette stock assortment. Tobacco, pipes and accessories should be merchandised adjacent to cigarette planograms.

REMINDER: SPACE ALLOCATED TO DISPLAY GENERIC CIGARETTES (BROWN & WILLIAMSON) WILL BE NO LESS THAN 55.6% OF THE SHELF SPACE ALLOCATED TO "SAVINGS CENTER" CIGARETTES.

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NEXCOM CIG SHELF PLAN O GRAMS

27.5' SECTION - STORES A AND B

FULL PRICE (BRANDED) - 17'
TOTAL LINEAR FT-102'(6 SHELVES)

COMPANY	SHARE	SPACE
RJR	26.0%	27'
PM	50.0%	51'
B&W	6.0%	6'
LOR	8.0%	8'
ATC	9.0%	9'
LIG	1.0%	1'
TOTAL	100.0%	102'

SAVINGS (GENERIC/SUB-GENERIC) - 10.5'
TOTAL LINEAR FT-63'(6 SHELVES)

COMPANY	SHARE	SPACE
RJR	19.0%	12'
PM	11.0%	7'
B&W	66.6%	41'
LOR	1.0%	6"
ATC	2.0%	2"
LIG	1.0%	6"
TOTAL	100.0%	63'

17.5' SECTION - C STORES

FULL PRICE (BRANDED) - 11'
TOTAL LINEAR FT-66'(6 SHELVES)

COMPANY	SHARE	SPACE
RJR	26.0%	17'
PM	50.0%	33'
B&W	6.0%	4'
LOR	8.0%	8'
ATC	9.0%	9'
LIG	1.0%	1'
TOTAL	100.0%	66'

SAVINGS (GENERIC/SUB-GENERIC) - 6.5'
TOTAL LINEAR FT-39'(6 SHELVES)

COMPANY	SHARE	SPACE
RJR	19.0%	8'
PM	11.0%	4'
B&W	66.6%	25'
LOR	1.0%	6"
ATC	2.0%	1"
LIG	1.0%	6"
TOTAL	100.0%	39'

12.5' SECTION - D STORES

FULL PRICE (BRANDED) - 8'
TOTAL LINEAR FT-48'(6 SHELVES)

COMPANY	SHARE	SPACE
RJR	26.0%	13'
PM	50.0%	24'
B&W	6.0%	3'
LOR	8.0%	3'
ATC	9.0%	4'
LIG	2.0%	1'
TOTAL	100.0%	48'

SAVINGS (GENERIC/SUB-GENERIC) - 4.5'
TOTAL LINEAR FT-27'6"(6 SHELVES)

COMPANY	SHARE	SPACE
RJR	19.0%	5'
PM	11.0%	3'
B&W	66.6%	18'
LOR	1.0%	6"
ATC	2.0%	6"
LIG	1.0%	6"
TOTAL	100.0%	27.6"

7.5' SECTION - E STORES

FULL PRICE (BRANDED) - 4.5'
TOTAL LINEAR FT-27.6"(6 SHELVES)

COMPANY	SHARE	SPACE
RJR	26.0%	7'
PM	50.0%	13'
B&W	6.0%	2'
DR	8.0%	2'
ATC	9.0%	3'
LIG	1.0%	6"
TOTAL	100.0%	27.6"

SAVINGS (GENERIC/SUB-GENERIC) - 3'
TOTAL LINEAR FT-18'(6 SHELVES)

COMPANY	SHARE	SPACE
RJR	19.0%	3'
PM	11.0%	2'
B&W	66.6%	11'
LOR	1.0%	6"
ATC	2.0%	1"
LIG	1.0%	6"
TOTAL	100.0%	18'

AC CIGARETTE PRICE SURVEYNEXCOM PRICES

	<u>BRANDED</u>	<u>GENERIC</u>	<u>SUB-GENERIC</u>
KINGS	15.00	7.75	9.00
100'S	15.50	8.00	9.50
SINGLE	1.90	1.00	1.25

EAST COAST

DAVISVILLE	KINGS	15.75	7.75	12.50
	100'S	16.00	8.00	13.00
	SINGLE	1.90	1.00	1.25
MECHANICSBURG	KINGS	15.00	7.75	11.50
	100'S	15.50	8.00	12.00
	SINGLE	1.90	1.00	1.25
NORFOLK	KINGS	14.85	7.75	9.00
	100'S	15.25	8.00	9.50
	SINGLE	1.90	1.00	1.25
MEMPHIS	KINGS	15.00	7.75	9.00
	100'S	15.50	8.00	9.50
	SINGLE	1.90	1.00	1.25
JACKSONVILLE	KINGS	15.00	7.75	9.00
	100'S	15.50	8.00	9.50
	SINGLE	1.80	1.00	1.25
ORLANDO	KINGS	15.00	7.75	9.00
	100'S	15.50	8.00	9.50
	SINGLE	1.80	1.00	1.25

CENTRAL

PENSACOLA	KINGS	15.00	7.75	9.00
	100'S	15.50	8.00	9.50
	SINGLE	1.90	1.00	1.25
MERIDIAN	KINGS	15.00	7.75	9.00
	100'S	15.50	8.00	9.50
	SINGLE	1.90	1.00	1.25
NEW ORLEANS	KINGS	15.00	7.75	9.00
	100'S	15.50	8.00	9.50
	SINGLE	1.90	1.00	1.25
PANAMA CITY	KINGS	15.00	7.75	9.00
	100'S	15.50	8.00	9.50
	SINGLE	1.90	1.00	1.25

ENCLOSURE (1)

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		<u>BRANDED</u>	<u>GENERIC</u>	<u>SUB-GENERIC</u>
GULFPORT	KINGS	15.00	7.75	9.00
	100'S	15.50	8.00	9.50
	SINGLE	1.90	1.00	1.25
DALLAS	KINGS	16.00	8.75	10.00
	100'S	16.50	9.00	10.50
	SINGLE	1.90	1.00	1.25
CORPUS CHRISTI	KINGS	15.00	7.75	9.00
	100'S	15.50	8.00	9.50
	SINGLE	1.90	1.00	1.25
GREAT LAKES	KINGS	15.00	7.75	9.00
	100'S	15.50	8.00	9.50
	SINGLE	1.90	1.00	1.25

WEST COAST

SAN DIEGO	KINGS	16.50	9.00	10.25
	100'S	17.00	9.25	10.75
	SINGLE	2.15	1.30	1.75
AUBURN	KINGS	16.50	9.00	10.25
	100'S	17.00	9.25	10.75
	SINGLE	1.90	1.00	1.75
PEARL HARBOR	KINGS	15.00	7.75	9.00
	100'S	15.50	8.00	9.50
	SINGLE	1.90	1.00	1.25

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ENCLOSURE (1)

17' (LEFT TO RIGHT) BRANDED
 10'6" (LEFT TO RIGHT) BUDGET
 1. BLUE: R.J. REYNOLDS
 2. GREEN: PHILIP MORRIS
 3. CYAN: BROWN & WILLIAMSON
 4. RED: LORILLARD
 5. PURPLE: AMERICAN BRANDS
 6. YELLOW: LISGETT & MYERS

1 RJR 92-D-0086					2 RJR 92-D-0088				
1 RJR 92-D-0086					3 RJR 92-D-0088	4 BROWN & WILLIAMSON 87-D-0130			
5 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130				
5 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130				
5 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130				
5 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130				
27'6"									

B202AB.PLN CIGARETTES

NEXCOM CIGARETTE PLANOGRAM (BRANDED & GENERIC)
PEGGY McCABE & VIVIAN RORRO

6676 09815

11' (LEFT TO RIGHT) BRANDED
 6'6" (LEFT TO RIGHT) BUDGET
 1. BLUE: R.J. REYNOLDS
 2. GREEN: PHILIP MORRIS
 3. CYAN: BROWN & WILLIAMSON
 4. RED: LORILLARD
 5. PURPLE: AMERICAN BRANDS
 6. YELLOW: LISGETT & MYERS

	1 R.JR 92-D-0088			2 R.JR 92-D-0088		
	1 R.JR 92-D-0088			3 R.JR 92-D-0088	4 BROWN & WILLIAMSON 87-D-0130	
11:38	5 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130
11/12/92	6 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130
	5 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130
	5 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 LISGETT & MYERS 92-D-0040	10 AMERICAN 92-D-0076

17"

B202C.PLN CIGARETTES

MEXCOM CIGARETTE PLANOGRAM (BRANDED & GENERIC)
PEGGI McCABE & VIVIAN RORRO

0086 09815

8" (LEFT TO RIGHT) BRANDED
 4"5" (LEFT TO RIGHT) BUDGET
 1.BLUE: R.J. REYNOLDS
 2.GREEN: PHILIP MORRIS
 3.CYAN: BROWN & WILLIAMSON
 4.RED: LORILLARD
 5.PURPLE: AMERICAN BRANDS
 6.YELLOW: LISGETT & MYERS

1 RJR 92-D-0066			2 RJR 92-D-0068		
1 RJR 92-D-0066			3 RJR	4 BROWN & WILLIAMSON 87-D-0130	
5 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130
5 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130
5 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130
5 PHILIP MORRIS 91-D-0170	6 BROWN & WILLIAMSON 87-D-0130	7 LORILLARD 92-D-0075	8 AMERICAN 92-D-0076	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130
12"6"					

B202D.PLN CIGARETTES

1086 09815

NEXCOM CIGARETTE PLANOGRAM (BRANDED & GENERIC)
PEGGI McCABE & VIVIAN RORRO

1 R.JR 92-D-0168	2 R.R 92-D-0085	3 R.R 92-D-0130
3 PHILIP MORRIS 91-D-0170		
5 PHILIP MORRIS 91-D-0170		
6 PHILIP MORRIS 91-D-0170		
8 BROWN & WILLIAMSON 87-D-0130	9 BROWN & WILLIAMSON 87-D-0130	10 BROWN & WILLIAMSON 87-D-0130
7 LORILLARD 92-D-0076	7 LORILLARD 92-D-0076	7 LORILLARD 92-D-0076
11 AMERICAN 92-D-0076	8 AMERICAN 92-D-0076	9 AMERICAN 92-D-0076
12 LIGGETT & MYERS 92-D-0089		
13 AMERICAN 92-D-0130	9 PHILIP MORRIS 91-D-0170	10 BROWN & WILLIAMSON 87-D-0130
14 LORILLARD 92-D-0075		
15 LIGGETT & MYERS 92-D-0089	16 BROWN & WILLIAMSON 87-D-0130	
5 PHILIP MORRIS 91-D-0170		

PAGE 1 OF 1

4.5° LEFT TO RIGHT) BRANDED
 3° (LEFT TO RIGHT) BUDGET
 1. BLUE R.J. REYNOLDS
 2. GREEN PHILIP MORRIS
 3. CYAN BROWN & WILLIAMSON
 4. RED LORILLARD
 5. PURPLE AMERICAN BRANDS
 6. YELLOW LIGGETT & MYERS

8202E.PLN CIGARETTES

RECOMM CIGARETTE PLANOGRAM (BRANDED & GENERIC)
PEGGI MCCASE & VIVIAN RICHARD

51866 9802